

VZCZCXYZ0001
RR RUEHWEB

DE RUEHAM #3121/01 3220646
ZNR UUUUU ZZH
R 170646Z NOV 08
FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 3833
INFO RUEHAD/AMEMBASSY ABU DHABI 1253
RUEHGB/AMEMBASSY BAGHDAD 6105
RUEHEG/AMEMBASSY CAIRO 3830
RUEHDM/AMEMBASSY DAMASCUS 4009
RUEHRH/AMEMBASSY RIYADH 2049
RUEHTV/AMEMBASSY TEL AVIV 1395
RUEHJM/AMCONSUL JERUSALEM 5228
RUEHRC/USDA FAS WASHDC

UNCLAS AMMAN 003121

SENSITIVE
SIPDIS

STATE FOR EEB/TTP/ABT AND NEA/ELA
FAS FOR OFFICE OF TRADE PROGRAMS
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CAIRO FOR FAS AGMINCOUNS PKURZ

E.O. 12958: N/A

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SUBJECT: KING DECLARES 2009 THE YEAR OF AGRICULTURE: WATER USE AND
OUTPUT TO BE KEY ELEMENTS OF STRATEGY

REFS: A) AMMAN 2177
B) AMMAN 816
B) AMMAN 815
D) AMMAN 51
D) 07 AMMAN 4622
E) 07 AMMAN 3661

1. (U) King Abdullah announced during an early October field visit to the rural Al Arda area that 2009 would be "The Year of Agriculture." Prime Minister Nader Al-Dahabi reiterated the message during a mid-October meeting with Ministry of Agriculture (MOA) officials. The plan, still in development, would modernize Jordan's agricultural sector, increase output, and improve living standards for Jordan's rural, agricultural families. Agricultural Minister Muzahim Muhaisin announced his Ministry would encourage more greenhouse farming, crop rotation, and water efficiency, the latter to be financed through the Agricultural Credit Corporation (ACC). Others in the field call for improved transportation networks for the distribution of agricultural products, planting of drought-resistant crops, better management of the post-harvest process, and use of biotechnology, specifically genetically-modified seeds.

Overview of Jordan's Agricultural Sector

2. (U) A comprehensive agricultural plan is long overdue. Jordan, the fourth most water-poor country in the world, receives on average less than two inches of rain per year over much of its desert region known as the Badia. Ten percent of the country, highlands and the Jordan Valley, the country's bread basket, averages eight to 18 inches of rain annually. Nevertheless, the agricultural sector is plagued by inefficiency as well as arid conditions, steadily diminishing acreage available for cultivation (2.3 million hectares in 2006 out of a total area of 9.6 million hectares) due to real estate development, and desertification. Many economists blame agriculture, which consumes 65-75% of Jordan's limited water resources, yet represents only 2.8% of GDP, for the country's water deficit (a 2008 demand of 1.428 billion cubic meters (MCM) with an available supply of only 966 MCM). In contrast, pro-agriculture experts argue the sector sustains other economic activities which contribute 30% of GDP and create employment opportunities. All agree, however, that limited resources, tribal domination of the agricultural sector and a tenuous relationship between tribes and the government, make agriculture a sensitive subject necessitating a

careful, inclusive approach.

A History of Hard Times for Agriculture

13. (U) The King's designation follows a particularly difficult period for the agriculture sector. The combination of the global hike in commodity prices and an early frost followed by a summer drought led to high consumer prices for fewer goods in 2008. The annual yield average for wheat was 25 thousand tons, but despite GOJ incentives to farmers, including purchasing their harvests at rates 30% higher than international market price, weather conditions made it impossible for wheat and barley seedlings to reach the necessary development stage. As a result, the amount of wheat delivered to government silos was less than 500 tons, of which only 175 tons was suitable for sowing. The GOJ, which purchases and resells all wheat and barley in the country, subsequently increased procurement, buying in mid-October from Syria 1,000 tons of wheat for sowing, although some agronomists question the viability of Syrian wheat in Jordan's dry climate. With falling wheat prices, Jordan has also seized the opportunity to rebuild its strategic reserves to a ten-month supply.

14. (SBU) In addition, MOA has begun the process of planting 3,000 hectares of wheat in the south under supplemental irrigation. To support the initiative, although the aquifer is already stressed, additional wells have been drilled near the city of Ma'an and water has been pumped for early irrigation. MOA has also distributed seeds to farmers for sowing and is offering an advance subsidy of JD 50 (\$70) for each planted hectare of wheat (ref A). Nevertheless, Mohamed Faweer, MOA Director of Plant Production, criticized the Ministry's larger plan to plant 50,000 hectares of cereals as

impractical, projecting that only 25,000 hectares could be grown this season. Barley, already in short supply this season, will be in greater demand as the expected crop ratio is 70% wheat and 30% barley.

Water and Fuel Present Challenges for Farming Too

15. (U) In designating 2009 the "The Year of Agriculture," the GOJ will be forced to confront a number of environmental and cultural challenges. Minister Muhaisin called water the most limiting factor for agriculture development and encouraged use of not only fresh, but also grey and treated water. Water scarcity, however, is not the only problem. There are also no incentives for responsible irrigation. Farmers pay less than the real cost of water and one told EmbOff, "Why would I be efficient for an almost free commodity?" Mohamed Awamleh, a farmer and former chairman of the Agricultural Food Marketing Association for Near East and North Africa (AFMANENA), believes increased use of modern technology and expanding drip irrigation would cut up to 70% of water consumption, a program he argues that could be covered by including infrastructure expenses in farmers' water tariffs spread out over a five-year period. Mahmoud Al Duwairi, a prominent wheat expert, university professor, Food and Agriculture Organization (FAO) employee, and former Agriculture Minister, contends small-scale backyard farming and the creation of food self-sufficient rural communities would result in 100,000 extra tons of rain-fed wheat per year. Both Awamleh and Duwairi also believe their methods would lessen the fuel costs associated with farming from running water pumps, and plowing/harvesting, to transporting crops for delivery.

16. (SBU) Comment: Despite the sector's numerous problems, many Jordanians consider Jordan an agricultural country and there is an emotional and historical commitment to farming. Competition over land, scarce water, and the involvement of influential families and tribes in farming, however, make agricultural issues sensitive and the sector difficult to reform. The King's focus on farming presents an opportunity to address openly what many discuss behind closed doors. Producers, traders, and many MOA officials genuinely support change, but there will be no progress if water use is not a serious part of the discussion.

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